
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____, 20____, to _____, 20____.

Commission File Number 333-109118

Novo Integrated Sciences, Inc.

(Exact Name of Registrant as Specified in its Charter)

<hr/> <p style="text-align: center;">Nevada (State or Other Jurisdiction of Incorporation or Organization)</p> <hr/> <p style="text-align: center;">11120 NE 2nd Street, Suite 200 Bellevue, Washington</p> <hr/> <p style="text-align: center;">(Address of Principal Executive Offices)</p>	<hr/> <p style="text-align: center;">59-3691650 (I.R.S. Employer Identification Number)</p> <hr/> <p style="text-align: center;">98004</p> <hr/> <p style="text-align: center;">(Zip Code)</p>
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(206) 617-9797

(Registrant's Telephone Number, Including Area Code)

N/A

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "accelerated filer," "large accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 210,474,585 shares of the Registrant's \$0.001 par value common stock outstanding as of January 7, 2019.

Novo Integrated Sciences, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
As of November 30, 2018 (unaudited) and August 31, 2018**

	<u>November 30, 2018</u> (unaudited)	<u>August 31, 2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 929,138	\$ 675,705
Accounts receivable, net	1,405,289	1,337,545
Other receivables, current portion	357,532	393,821
Prepaid expenses and other current assets	149,151	161,838
Total current assets	2,841,110	2,568,909
Property and equipment, net	445,032	400,321
Other receivables, net of current portion	86,561	57,352
Acquisition deposits	1,094,947	1,112,404
Goodwill	594,633	604,113
TOTAL ASSETS	\$ 5,062,283	\$ 4,743,099
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,368,277	\$ 1,307,599
Accrued expenses	362,762	383,998
Accrued interest (principally to related parties)	167,662	156,121
Due to related parties	1,064,733	1,116,261
Notes payable, current portion	376,350	382,350
Total current liabilities	3,339,784	3,346,329
Debentures, related parties	1,204,793	1,224,000
TOTAL LIABILITIES	4,544,577	4,570,329
Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY		
Novo Integrated Sciences, Inc.		
Convertible preferred stock; \$0.001 par value; 1,000,000 shares authorized; 0 and 0 shares issued and outstanding at November 30, 2018 and August 31, 2018		
Common stock; \$0.001 par value; 499,000,000 shares authorized; 208,444,965 and 207,881,743 shares issued and outstanding at November 30, 2018 and August 31, 2018	208,445	207,882
Additional paid-in capital	10,655,895	10,053,683
Other comprehensive income	1,138,030	1,139,815
Accumulated deficit	(11,451,405)	(11,199,989)
Total Novo Integrated Sciences, Inc. stockholders' equity	550,965	201,391
Noncontrolling interest	(33,259)	(28,621)
Total stockholders' equity	517,706	172,770
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 5,062,283	\$ 4,743,099

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Three Months Ended November 30, 2018 and 2017 (unaudited)

	Three Months Ended	
	November 30, 2018	November 30, 2017
	(unaudited)	(unaudited)
Revenues	\$ 2,311,622	\$ 2,253,737
Cost of revenues	<u>1,428,083</u>	<u>1,407,693</u>
Gross profit	883,539	846,044
Operating expenses:		
Selling expenses	25,223	38,139
General and administrative expenses	<u>1,073,668</u>	<u>980,275</u>
Total operating expenses	<u>1,098,891</u>	<u>1,018,414</u>
Loss from operations	(215,352)	(172,370)
Non operating income (expense)		
Interest income	5,089	51
Interest expense	<u>(46,321)</u>	<u>(134,153)</u>
Total other income (expense)	<u>(41,232)</u>	<u>(134,102)</u>
Loss before income taxes	(256,584)	(306,472)
Income tax expense	<u>-</u>	<u>54,216</u>
Net loss	\$ (256,584)	\$ (360,688)
Net loss attributed to noncontrolling interest	<u>(5,168)</u>	<u>(3,400)</u>
Net loss attributed to Novo Integrated Sciences, Inc.	<u>\$ (251,416)</u>	<u>\$ (357,288)</u>
Comprehensive loss:		
Net loss	(256,584)	(360,688)
Foreign currency translation gain (loss)	<u>(101,029)</u>	<u>124,187</u>
Comprehensive loss:	<u>\$ (357,613)</u>	<u>\$ (236,501)</u>
Weighted average common shares outstanding - basic and diluted	<u>207,943,636</u>	<u>201,837,254</u>
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended November 30, 2018 and 2017 (unaudited)

	Three Months Ended	
	November 30, 2018	November 30, 2017
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (256,584)	\$ (360,688)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	22,601	14,998
Fair value of vested stock options	70,846	142,665
Changes in operating assets and liabilities:		
Accounts receivable	(90,148)	(197,389)
Prepaid expenses and other current assets	10,350	54,786
Accounts payable	81,218	(82,701)
Accrued expenses	(15,453)	29,415
Accrued interest	14,213	47,099
Net cash used in operating activities	<u>(162,957)</u>	<u>(351,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(74,408)	(4,242)
Amounts loaned for other receivables	-	(19,351)
Net cash used in investing activities	<u>(74,408)</u>	<u>(23,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments to related parties	(34,554)	(176,804)
Proceeds from the sale of common stock	531,929	-
Payments on notes payable	-	(7,121)
Net cash provided by (used in) financing activities	<u>497,375</u>	<u>(183,925)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(6,577)</u>	<u>(41,607)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	253,433	(600,940)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>675,705</u>	<u>1,896,572</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 929,138</u>	<u>\$ 1,295,632</u>
CASH PAID FOR:		
Interest	<u>\$ 34,780</u>	<u>\$ 99,763</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended November 30, 2018 and 2017 (unaudited)

Note 1 - Organization and Basis of Presentation

Organization and Line of Business

Novo Integrated Sciences, Inc. (“Novo Integrated”) was incorporated in Delaware on November 27, 2000, under the name Turbine Truck Engines, Inc. On February 20, 2008, the Company was re-domiciled to the State of Nevada. Effective July 12, 2017, the Company’s name was changed to Novo Integrated Sciences, Inc. When used herein, the terms the “Company,” “we,” “us” and “our” refer to Novo Integrated and its consolidated subsidiaries.

Through Novo Healthnet Limited (“NHL”), our wholly owned Canadian subsidiary, we deliver multi-disciplinary primary healthcare to over 400,000 patients annually through our 16 corporate-owned clinics and a contracted network of 92 affiliate clinics and 223 eldercare centric homes located across Canada. Our team of practitioners and staff are trained for assessment, diagnosis, treatment, pain management, rehabilitation and primary prevention. Our specialized services and products include physiotherapy, chiropractic care, occupational therapy, eldercare, laser therapeutics, massage therapy, acupuncture, chiropody, neurological functions, kinesiology, concussion management and baseline testing, women’s pelvic health, sports medicine therapy, assistive devices and private personal training. We do not provide primary care medical services, none of our employees practices primary care medicine, and our services do not require a medical or nursing license.

Since inception and through May 9, 2017, our activities and business operations were limited to raising capital, organizational matters and the implementation of our business plan related to research, development, testing and commercialization of various alternative energy technologies.

On April 25, 2017 (the “Effective Date”), the Company entered into a Share Exchange Agreement (the “Share Exchange Agreement”) by and between (i) the Company; (ii) NHL, (iii) ALMC-ASAP Holdings Inc. (“ALMC”); (iv) Michael Gaynor Family Trust (the “MGFT”); (v) 1218814 Ontario Inc. (“1218814”) and (vi) Michael Gaynor Physiotherapy Professional Corp. (“MGPP,” and together with ALMC, MGFT and 1218814, the “NHL Shareholders”). Pursuant to the terms of the Share Exchange Agreement, the Company agreed to acquire from the NHL Shareholders all of the shares of both common and preferred stock of NHL, held by the NHL Shareholders, in exchange for the issuance by the Company to the NHL Shareholders of shares of the Company’s common stock, such that following the closing of the Share Exchange Agreement, the NHL Shareholders would own 167,797,406 restricted shares of Company common stock, representing 85% of the issued and outstanding Company common stock, calculated including all granted and issued options or warrants to acquire the Company common stock as of the Effective Date, but to exclude shares of Company common stock that are subject to a then-current Regulation S offering that was undertaken by the Company (the “Exchange”).

On May 9, 2017, the Exchange closed and, as a result, NHL became a wholly owned subsidiary of Novo Integrated Sciences, Inc.

The Exchange was accounted for as a reverse acquisition under the purchase method of accounting since NHL obtained control of Novo Integrated Sciences, Inc. Accordingly, the Exchange was recorded as a recapitalization of NHL, with NHL being treated as the continuing entity. The historical financial statements presented are the financial statements of NHL. The Share Exchange Agreement was treated as a recapitalization and not as a business combination; therefore, no pro forma information is disclosed. At the closing date of the Exchange, the net assets of the legal acquirer, Novo Integrated Sciences, Inc., were \$6,904.

The unaudited consolidated financial statements are prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The information furnished herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary to fairly state the Company’s financial position, the results of its operations, and cash flows for the periods presented. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) were omitted pursuant to such rules and regulations. The results of operations for the three months ended November 30, 2018 are not necessarily indicative of the results for the year ending August 31, 2019.

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with U.S. GAAP. The Company's Canadian subsidiaries' functional currency is the Canadian Dollar ("CAD"); however, the accompanying consolidated financial statements were translated and presented in United States Dollars ("\$" or "USD").

Foreign Currency Translation

The accounts of the Company's Canadian subsidiaries are maintained in CAD. The accounts of these subsidiaries are translated into USD in accordance with Accounting Standards Codification ("ASC") Topic 830 *Foreign Currency Transaction*, with the CAD as the functional currency. According to Topic 830, all assets and liabilities are translated at the exchange rate on the balance sheet date, stockholders' equity is translated at historical rates and statement of operations items are translated at the weighted average exchange rate for the period. The resulting translation adjustments are reported under other comprehensive income in accordance with ASC Topic 220, *Comprehensive Income*. Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the statement of operations and comprehensive income. The following table details the exchange rates used for the respective periods:

	<u>November 30, 2018</u>		<u>November 30, 2017</u>		<u>August 31, 2018</u>
Period end: CAD to USD exchange rate	\$ 0.7527	\$	0.7761	\$	0.7647
Average period: CAD to USD exchange rate	\$ 0.7647	\$	0.7973		

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, NHL, Novo Healthnet Rehab Limited, Novo Assessments Inc., and an 80% interest in Novo Healthnet Kemptville Centre, Inc., a Back on Track Physiotherapy and Health Centre clinic operated by NHL. All of the Company's subsidiaries are incorporated under the laws of the Province of Ontario, Canada. All intercompany transactions have been eliminated.

Noncontrolling Interest

The Company follows Financial Accounting Standards Board (“FASB”) ASC Topic 810, *Consolidation*, which governs the accounting for and reporting of non-controlling interests (“NCIs”) in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs be treated as a separate component of equity, not as a liability, that increases and decreases in the parent’s ownership interest that leave control intact be treated as equity transactions rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance.

The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations and other comprehensive income (loss).

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificate of deposits, and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are recorded, net of allowance for doubtful accounts and sales returns. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentration, customer credit worthiness, current economic trends and changes in customer payment patterns to determine if the allowance for doubtful accounts is adequate. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Delinquent account balances are written-off after management has determined that the likelihood of collection is not probable and known bad debts are written off against the allowance for doubtful accounts when identified. As of November 30, 2018 and August 31, 2018, the allowance for uncollectible accounts receivable was \$457,209 and \$464,527, respectively.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method for substantially all assets with estimated lives as follows:

Leasehold improvements	5 years
Clinical equipment	5 years
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	5 years

Long-Lived Assets

The Company applies the provisions of ASC Topic 360, *Property, Plant, and Equipment*, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair values are reduced for the cost of disposal. Based on its review at November 30, 2018 and August 31, 2018, the Company believes there was no impairment of its long-lived assets.

Goodwill

Goodwill represents the excess of purchase price over the underlying net assets of businesses acquired. Under accounting requirements, goodwill is not amortized but is subject to annual impairment tests. At November 30, 2018, the Company recorded goodwill of \$376,350 and \$218,283, respectively, related to its acquisition of Apka Health, Inc. during the fiscal year ended August 31, 2017 and Executive Fitness Leaders during the fiscal year ended August 31, 2018. As of August 31, 2018, the Company performed the required impairment review. Based on its review, the Company believes there was no impairment of its goodwill.

Acquisition Deposits

The Company has signed letters of understanding with two potential acquisition candidates which includes refundable acquisition deposits totaling \$1,094,947 and \$1,112,404 at November 30, 2018 and August 31, 2018, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, advances to suppliers, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Company. FASB ASC Topic 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in inactive markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology use one or more unobservable inputs which are significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, and FASB ASC Topic 815, *Derivatives and Hedging*.

As of November 30, 2018 and August 31, 2018, respectively, the Company did not identify any assets and liabilities required to be presented on the balance sheet at fair value.

Revenue Recognition

Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), became effective for the Company on March 1, 2018. The Company's revenue recognition disclosure reflects its updated accounting policies that are affected by this new standard. The Company applied the "modified retrospective" transition method for open contracts for the implementation of Topic 606. As sales are and have been primarily from providing healthcare services, and the Company has no significant post-delivery obligations, this new standard did not result in a material recognition of revenue on the Company's accompanying consolidated financial statements for the cumulative impact of applying this new standard. The Company made no adjustments to its previously-reported total revenues, as those periods continue to be presented in accordance with its historical accounting practices under Topic 605, *Revenue Recognition*.

Revenue from providing healthcare services are recognized under Topic 606 in a manner that reasonably reflects the delivery of its services to customers in return for expected consideration and includes the following elements:

- executed contracts with the Company's customers that it believes are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation the transaction price to each performance obligation; and
- recognition of revenue only when the Company satisfies each performance obligation.

These five elements, as applied to healthcare services, the Company's sole revenue category, is summarized below:

- Healthcare services - gross service revenue is recorded in the accounting records at the time the services is provided on an accrual basis at the provider's established rates, regardless of whether the provider expects to collect that amount. The Company reserves a provision for contractual adjustment and discounts that are deducted from gross service revenue. The Company reports revenues net of any sales, use and value added taxes.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions for any of the reporting periods presented.

Stock-Based Compensation

The Company records stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*. FASB ASC Topic 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the requisite service period. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, *Earnings Per Share*. Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS assumes that all dilutive securities are converted. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. There were 10,105,000 options/warrants outstanding as of November 30, 2018. Due to the net loss incurred, potentially dilutive instruments would be anti-dilutive. Accordingly, diluted loss per share is the same as basic loss for all periods presented.

Foreign Currency Transactions and Comprehensive Income

U.S. GAAP generally requires recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company's Canadian subsidiaries is the CAD. Translation gains of \$1,138,030 and \$1,139,815 at November 30, 2018 and August 31, 2018, respectively, are classified as an item of other comprehensive income in the stockholders' equity section of the balance sheet.

Statement of Cash Flows

Cash flows from the Company's operations are calculated based upon the local currencies using the average translation rates. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Recent Accounting Pronouncements

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle-based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. Entities will be able to transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this ASU beginning on March 1, 2018 and used the modified retrospective method of adoption. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

Note 3 – Related Party Transactions

Due to related parties

Amounts loaned to the Company by stockholders and officers of the Company are non-interest bearing and payable upon demand. At November 30, 2018 and August 31, 2018, the amount due to related parties was \$1,064,733 and \$1,116,261, respectively.

On January 31, 2018, a related party converted \$813,125 of outstanding principal and accrued interest into 1,976,483 shares of the Company's common stock. The per share price used for the conversion of this loan was \$0.4114 which was determined based on the average price of the five (5) trading days immediately preceding the date of conversion with a 10% premium added to the calculated per share price.

Note 4 – Accounts Receivables, net

Accounts receivables, net at November 30, 2018 and August 31, 2018 consisted of the following:

	November 30, 2018	August 31, 2018
Trade receivables	\$ 1,630,249	\$ 1,564,180
Amounts earned but not billed	232,249	237,892
	1,862,498	1,802,072
Allowance for doubtful accounts	(457,209)	(464,527)
Accounts receivable, net	<u>\$ 1,405,289</u>	<u>\$ 1,337,545</u>

Note 5 – Other Receivables

Other receivables at November 30, 2018 and August 31, 2018 consisted of the following:

	November 30, 2018	August 31, 2018
Notes receivable dated April 1, 2015 and amended on May 23, 2017; accrued interest at 8% per annum; secured by certain assets; due March 1, 2019	\$ 282,262	\$ 286,763
Advance to corporation; non-interest bearing; unsecured; due no later than November 18, 2020	30,108	30,588
Advance to corporation; accrues interest at 12% per annum; unsecured; due September 2019	75,270	76,470
Advance to corporation; accrues interest at 10% per annum; unsecured; due May 1, 2022	56,453	57,352
Total other receivables	444,093	451,173
Current portion	(357,532)	(393,821)
Long-term portion	<u>\$ 86,561</u>	<u>\$ 57,352</u>

Note 6 – Property and Equipment

Property and equipment at November 30, 2018 and August 31, 2018 consisted of the following:

	November 30, 2018	August 31, 2018
Leasehold Improvements	\$ 427,620	\$ 372,010
Clinical equipment	274,438	269,741
Computer equipment	22,281	22,636
Office equipment	27,134	24,658
Furniture and fixtures	38,998	39,620
	790,471	728,665
Accumulated depreciation	(345,439)	(328,344)
Total	<u>\$ 445,032</u>	<u>\$ 400,321</u>

Depreciation expense for the three months ended November 30, 2018 and 2017 was \$22,601 and \$14,998, respectively.

Note 7 – Accrued Expenses

Accrued expenses at November 30, 2018 and August 31, 2018 consisted of the following:

	November 30, 2018	August 31, 2018
Accrued liabilities	\$ 233,933	\$ 266,123
Accrued payroll	97,871	106,761
Other	30,958	11,114
	<u>\$ 362,762</u>	<u>\$ 383,998</u>

Note 8 – Notes Payable

Notes payable at November 30, 2018 and August 31, 2018 consisted of the following:

	November 30, 2018	August 31, 2018
Notes payable issued in connection with purchase of assets; accrues interest at 0% per annum; due on March 27, 2019.	\$ 376,350	\$ 382,350
	376,350	382,350
Current portion	(376,350)	(382,350)
Long-term portion	<u>\$ -</u>	<u>\$ -</u>

Note 9 – Debentures, related parties

On September 30, 2013, the Company issued five debentures totaling CAD\$6,402,512 (\$4,968,990 at November 30, 2017) in connection with the acquisition of certain business assets. The holders of the debentures are current stockholders, officers and/or affiliates of the Company. The debentures are secured by all the assets of the Company, accrue interest at 8% per annum and were originally due on September 30, 2016. On December 2, 2017, the debenture holders agreed to extend the due date to September 30, 2019.

On January 31, 2018, the debenture holders converted 75% of the debenture value of \$3,894,809 plus accrued interest of \$414,965 into 10,475,872 shares of the Company's common stock. The per share price used for the conversion of each debenture was \$0.4114 which was determined based on the average price of the five (5) trading days immediately preceding the date of conversion with a 10% premium added to the calculated per share price. At November 30, 2018, the amount of debentures outstanding was \$1,204,793.

Note 10 – Stockholders' Deficit

Convertible preferred stock

The Company has authorized 1,000,000 shares of \$0.001 par value convertible preferred stock. At November 30, 2018 and August 31, 2018 there were 0 and 0 convertible preferred shares issued and outstanding, respectively.

Common stock

The Company has authorized 499,000,000 shares of \$0.001 par value common stock. At November 30, 2018 and August 31, 2018 there were 208,444,965 and 207,881,743 common shares issued and outstanding, respectively.

During the period ended November 30, 2018, the Company issued 563,222 shares of common stock for cash proceeds of \$531,929.

Stock options/warrants

On September 8, 2015, the Company adopted the 2015 Incentive Compensation Plan (the "2015 Plan"), which authorizes the issuance of up to 5,000,000 shares of common stock to employees, officers, directors or independent consultants of the Company, provided that no person can be granted shares under the 2015 Plan for services related to raising capital or promotional activities. As of November 30, 2018, 4,987,500 shares were available under the 2015 Plan for future grants, awards, options or share issuances. However, because the shares issuable under the 2015 Plan or issuable upon conversion of awards granted under the Plan are no longer registered under the Securities Exchange Act of 1934, as amended, the Company does not intend to issue any additional grants under the 2015 Plan.

On January 16, 2018, the Company adopted the Novo Integrated Sciences, Inc. 2018 Incentive Plan (the "2018 Plan"). Under the 2018 Plan, 10,000,000 shares of common stock are authorized for issuance to employees, non-employees, directors and key consultants to the Company or its subsidiaries. The 2018 Plan authorizes equity-based and cash-based incentives for participants. There were 9,875,000 shares available for award at November 30, 2018 under the 2018 Plan.

The following is a summary of stock option/warrant activity:

	Options/ Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding, August 31, 2018	10,030,000	0.30	4.56	\$ 7,045,500
Granted	75,000	0.95		
Forfeited	-			
Exercised	-			
Outstanding, November 30, 2018	<u>10,105,000</u>	0.30	4.33	\$ 19,165,250
Exercisable, November 30, 2018	<u>10,105,000</u>	\$ 0.30	4.33	\$ 19,165,250

The exercise price for options/warrants outstanding at November 30, 2018:

Outstanding and Exercisable	
Number of Options/ Warrants	Exercise Price
5,500,000	\$ 0.16
1,000,000	0.32
50,000	0.33
120,000	0.40
2,000,000	0.42
100,000	0.50
1,000,000	0.62
250,000	0.80
75,000	0.95
10,000	2.00
<u>10,105,000</u>	

For options granted during the fiscal year ending August 31, 2019 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was \$0.94 and the weighted-average exercise price of such options/warrants was \$0.95. No options were granted during the fiscal year ending August 31, 2019 where the exercise price was less than the stock price at the date of grant or the exercise price was greater than the stock price at the date of grant.

For options granted during the fiscal year ended August 31, 2018 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was \$0.39 and the weighted-average exercise price of such options/warrants was \$0.40. No options were granted during the fiscal year ended August 31, 2018 where the exercise price was less than the stock price at the date of grant or the exercise price was greater than the stock price at the date of grant.

The fair value of the stock options is being amortized to stock option expense over the vesting period. The Company recorded stock option expense of \$70,846 and \$142,665 during the three months ended November 30, 2018 and 2017, respectively. At November 30, 2018, the unamortized stock option expense was \$0.

The assumptions used in calculating the fair value of options granted during the current fiscal year ending August 31, 2019 using the Black-Scholes option-pricing model for options granted, through November 30, 2018, are as follows:

Risk-free interest rate	2.78%
Expected life of the options	3.5 years
Expected volatility	294%
Expected dividend yield	0%

Note 11 – Commitments and Contingencies

Litigation

The Company is party to certain legal proceedings from time to time incidental to the conduct of its business. These proceedings could result in fines, penalties, compensatory or treble damages or non-monetary relief. The nature of legal proceedings is such that the Company cannot assure the outcome of any particular matter, and an unfavorable ruling or development could have a materially adverse effect on our consolidated financial position, results of operations and cash flows in the period in which a ruling or settlement occurs. However, based on information available to the Company's management to date, the Company's management does not expect that the outcome of any matter pending against the Company is likely to have a materially adverse effect on the Company's consolidated financial position as of November 30, 2018, results of operations, cash flows or liquidity of the Company.

Leases

The Company leases its office space and certain facilities under long-term operating leases expiring through fiscal year 2023. Rent expense under these leases was \$242,472 and \$191,940 for the three months ended November 30, 2018 and 2017, respectively.

Note 12 – Subsequent Events

CannaPiece Share Exchange Agreement, as Amended

On December 18, 2018, the Company and NHL entered into a Share Exchange Agreement (the "SEA") with CannaPiece Group Inc. ("CannaPiece").

Pursuant to the terms of the SEA, CannaPiece agreed that it would issue to NHL shares representing 25% of CannaPiece's outstanding shares, which shares are valued at CAD \$25,000,000 (\$18,672,500) in the aggregate, based on an agreed pre-revenue, post-licensing valuation of CannaPiece in the amount of CAD \$100,000,000 (\$74,690,000). The CannaPiece shares will be shares of a new class (the "New Class") to be created by CannaPiece following execution of the SEA. The New Class will be convertible into common shares on a basis that ensures that the aggregate number of common shares in the capital of CannaPiece into which the CannaPiece shares are convertible will be equal to 25% of all issued and outstanding CannaPiece stock. The New Class will otherwise have rights equivalent to the common shares of CannaPiece.

In exchange for the issuance of the CannaPiece shares to NHL, the Company agreed to issue to CannaPiece CAD \$25,000,000 (\$18,672,500) worth of Company restricted common stock. The number of shares of Company common stock to be issued will be based on a per share price of \$0.92, as determined by establishing the 30-trading day closing average (\$1.15 per share) on October 10, 2018, the execution date of the binding letter of intent between the parties, with a 20% discount to the determined average.

In addition, CannaPiece agreed to execute one or more subscription agreements for Company common stock with an aggregate value of CAD \$5,000,000 (approximately \$3,734,500) (the "Investment") no later than January 7, 2019. CannaPiece's obligation is independent of the closing of the exchange. The parties agreed that the per share price for the subscription agreements will be \$0.92 per share, determined by establishing the 30-trading day closing average (\$1.15 per share) on October 10, 2018, the execution date of the binding letter of intent among the parties, with a 20% discount to the determined average. Of this aggregate subscription amount, \$501,929 was paid prior to execution of the SEA. In addition, on December 18, 2018, the Company accepted a \$1,867,250 subscription agreement from CannaPiece for 2,029,620 shares of the Company's restricted common stock, resulting in an effective price per share of \$0.92.

The Company and NHL together have the right to appoint one board member, with voting rights, to CannaPiece's board of directors, and CannaPiece has the right to appoint one board member, with voting rights, to the Company's Board of Directors. As of the closing, the Company and CannaPiece will take such actions as required to expand the size of each board of directors such that the Company and CannaPiece can each appoint one member to the other party's board of directors.

The obligation of the parties to close the exchange is subject to customary closing conditions. The parties also agreed that the Company's shares issued to CannaPiece and the CannaPiece shares issued to NHL pursuant to the terms of the SEA will be held in escrow until the earlier of the termination date (June 1, 2019, as the same may be amended by the parties) or the date on which CannaPiece receives approved Licensed Producer Status under the Cannabis Act (Canada) and its associated regulations.

The SEA may be terminated in certain circumstances including, among others, by the mutual written consent of the Company, NHL and CannaPiece; and by the Company and NHL, or by CannaPiece, if certain closing conditions have not been met by June 1, 2019.

On January 7, 2019, the Company, NHL and CannaPiece entered into Amendment No. 1 to the SEA pursuant to which the parties agreed to extend the delivery date of the Investment from January 7, 2019 to January 31, 2019.

Letter Agreement Amending Activa LOI

On November 23, 2018, the Company and NHL executed a Binding Letter of Intent (the "Activa LOI") with Activa Clinics ("Activa"). Pursuant to the terms of the Activa LOI, the parties agreed to negotiate and enter into a definitive agreement pursuant to which NHL will acquire all of the issued and outstanding shares of Activa in exchange for shares of the Company (the "Proposed Transaction"). Pursuant to the terms of the Activa LOI, if the parties do not execute a definitive agreement on or before December 31, 2018 (or such other date agreed to by the parties), the Activa LOI will terminate. On January 7, 2019, the Company and Activa entered into a letter agreement that extends the termination date of the Activa LOI from December 31, 2018 to February 28, 2019.

Assignment of Joint Venture Agreement

On January 7, 2019, 2478659 Ontario Ltd. ("247") and Kainai Cooperative ("Kainai") entered into a Joint Venture Agreement (the "Joint Venture Agreement") for the purpose of developing, managing and arranging for financing of greenhouse and farming projects involving hemp and cannabis cash crops on Kainai related lands, and developing additional infrastructure projects creating jobs and food supply to local communities. On January 8, 2019, 247 and the Company entered into an Agreement of Transfer and Assignment, pursuant to which 247 agreed to sell, assign and transfer to the Company all rights, contracts, contacts and any and all other assets related in any way to the Joint Venture Agreement. Pursuant to the terms of the Joint Venture Agreement, as assigned to the Company, the parties will work in a joint venture relationship with the Company providing the finance, development and operation of the project, including sales and Kainai providing the land and approvals for the development of the projects.

The joint venture will distribute to the Company and Kainai all net proceeds after debt and principal servicing and repayment allocation, as well as operating capital allotment on a ratio equal to 80% to the Company and 20% to Kainai.

Among other things, the Company is responsible for maintaining all financial records of the joint venture and providing quarterly and annual reporting to all joint venture stakeholders, assigning and directing operational staff, remunerating Kainai on the basis of 20% of net joint venture income on an annual basis commencing 12 months after the first full 12-month revenue period.

The Joint Venture Agreement has an initial term of 50 years and Kainai may renew the Joint Venture Agreement within five years of the expiry of the initial term upon mutual agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provide a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this report and other filings with the Securities and Exchange Commission ("SEC") and in our reports and presentations to stockholders or potential stockholders. In some cases forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "plan," "potential," "continue" or similar expressions. Such forward-looking statements include risks and uncertainties and there are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors, risks and uncertainties can be found in the Part I, Item 1A, "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2018.

Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, it is not possible to foresee or identify all factors that could have a material effect on the future financial performance of the Company. The forward-looking statements in this report are made on the basis of management's assumptions and analyses, as of the time the statements are made, in light of their experience and perception of historical conditions, expected future developments and other factors believed to be appropriate under the circumstances.

Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this Quarterly Report on Form 10-Q and the information incorporated by reference in this report to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Overview of the Company

Novo Integrated Sciences, Inc. ("Novo Integrated") was incorporated in Delaware on November 27, 2000, under the name Turbine Truck Engines, Inc. On February 20, 2008, the Company was re-domiciled to the State of Nevada. Effective July 12, 2017, the Company's name was changed to Novo Integrated Sciences, Inc. When used herein, the terms the "Company," "we," "us" and "our" refer to Novo Integrated and its consolidated subsidiaries.

Through Novo Healthnet Limited ("NHL"), our wholly owned Canadian subsidiary, we deliver multi-disciplinary primary healthcare to over 400,000 patients annually through our 16 corporate-owned clinics and a contracted network of 92 affiliate clinics and 223 eldercare centric homes located across Canada. Our team of practitioners and staff are trained for assessment, diagnosis, treatment, pain management, rehabilitation and primary prevention. Our specialized services and products include physiotherapy, chiropractic care, occupational therapy, eldercare, laser therapeutics, massage therapy, acupuncture, chiropody, neurological functions, kinesiology, concussion management and baseline testing, women's pelvic health, sports medicine therapy, assistive devices and private personal training. We do not provide primary care medical services, none of our employees practices primary care medicine, and our services do not require a medical or nursing license.

Our strict adherence to public regulatory standards, as well as self-imposed standards of excellence, have allowed us to navigate with ease through the industry's licensing and regulatory framework. Compliant treatment, data and administrative protocols are managed through a team of highly-trained, certified healthcare and administrative professionals. We and our affiliates provide service to the Canadian property and casualty insurance industry, resulting in a regulated framework governed by the Financial Services Commission of Ontario. All of our services and those of our affiliates are regulated by the various professional associations related to the clinical professionals contracted or employed by us. In 2013, NHL received its accreditation from the Commission on Accreditation of Rehabilitation Facilities ("CARF"). Currently, NHL is undergoing the CARF re-accreditation process.

Recent Developments

CannaPiece Group Inc. Share Exchange Agreement, as Amended, & Subscriptions

On December 18, 2018, the Company and NHL entered into a Share Exchange Agreement (the “SEA”) with CannaPiece Group Inc. (“CannaPiece”).

Pursuant to the terms of the SEA, CannaPiece agreed that it would issue to NHL shares representing 25% of CannaPiece’s outstanding shares, which shares are valued at CAD \$25,000,000 (\$18,672,500) in the aggregate, based on an agreed pre-revenue, post-licensing valuation of CannaPiece in the amount of CAD \$100,000,000 (\$74,690,000). The CannaPiece shares will be shares of a new class (the “New Class”) to be created by CannaPiece following execution of the SEA. The New Class will be convertible into common shares on a basis that ensures that the aggregate number of common shares in the capital of CannaPiece into which the CannaPiece shares are convertible will be equal to 25% of all issued and outstanding CannaPiece stock. The New Class will otherwise have rights equivalent to the common shares of CannaPiece.

In exchange for the issuance of the CannaPiece shares to NHL, the Company agreed to issue to CannaPiece CAD \$25,000,000 (\$18,672,500) worth of Company restricted common stock. The number of shares of Company common stock to be issued will be based on a per share price of \$0.92, as determined by establishing the 30-trading day closing average (\$1.15 per share) on October 10, 2018, the execution date of the binding letter of intent between the parties, with a 20% discount to the determined average.

In addition, CannaPiece agreed to execute one or more subscription agreements for Company common stock with an aggregate value of CAD \$5,000,000 (approximately \$3,734,500) (the “Investment”) no later than January 7, 2019. CannaPiece’s obligation is independent of the closing of the exchange. The parties agreed that the per share price for the subscription agreements will be \$0.92 per share, determined by establishing the 30-trading day closing average (\$1.15 per share) on October 10, 2018, the execution date of the binding letter of intent among the parties, with a 20% discount to the determined average. Of this aggregate subscription amount, \$501,929 was paid prior to execution of the SEA. In addition, on December 18, 2018, the Company accepted a \$1,867,250 subscription agreement from CannaPiece for 2,029,620 shares of the Company’s restricted common stock, resulting in an effective price per share of \$0.92.

The Company and NHL together have the right to appoint one board member, with voting rights, to CannaPiece’s board of directors, and CannaPiece has the right to appoint one board member, with voting rights, to the Company’s Board of Directors. As of the closing, the Company and CannaPiece will take such actions as required to expand the size of each board of directors such that the Company and CannaPiece can each appoint one member to the other party’s board of directors.

The obligation of the parties to close the exchange is subject to customary closing conditions. The parties also agreed that the Company's shares issued to CannaPiece and the CannaPiece shares issued to NHL pursuant to the terms of the SEA will be held in escrow until the earlier of the termination date (June 1, 2019, as the same may be amended by the parties) or the date on which CannaPiece receives approved Licensed Producer Status under the Cannabis Act (Canada) and its associated regulations.

The SEA may be terminated in certain circumstances including, among others, by the mutual written consent of the Company, NHL and CannaPiece; and by the Company and NHL, or by CannaPiece, if certain closing conditions have not been met by June 1, 2019.

On January 7, 2019, the Company, NHL and CannaPiece entered into Amendment No. 1 to the SEA pursuant to which the parties agreed to extend the delivery date of the Investment from January 7, 2019 to January 31, 2019.

Increase in Board Size; Officer and Director Changes

On October 17, 2018, the Company's Board of Directors increased the size of the Board from three members to four members. On the same date, Pierre Dalcourt resigned his position as Chairman of the Board. Dr. Dalcourt will continue to serve as a member of the Board.

In addition, on October 17, 2018, the Board appointed Robert Mattacchione to fill the vacancy resulting from the increase in the size of the Board and named him as Chairman of the Board and Chief Executive Officer. As a result of the officer and director changes, the executive officers and directors of the Company are as follows:

Robert Mattacchione – Chairman of the Board and Chief Executive Officer
Christopher David – President and Director
Pierre Dalcourt – Director and President of Novo Healthnet Limited
Klara Radulyne – Principal Financial Officer
Michael Gaynor – Secretary and Director

As of the date hereof, the Company has not entered into a compensation arrangement with Mr. Mattacchione regarding his services as the Company's Chief Executive Officer. Mr. Mattacchione, like all Company directors, will receive no compensation for services as a director.

Activa Clinics Binding Letter of Intent, as Amended

On November 23, 2018, the Company and NHL executed a Binding Letter of Intent (the "Activa LOI") with Activa Clinics ("Activa"). Pursuant to the terms of the Activa LOI, the parties agreed to negotiate and enter into a definitive agreement pursuant to which NHL will acquire all of the issued and outstanding shares of Activa in exchange for shares of the Company (the "Proposed Transaction"). If a definitive agreement is not executed by the parties on or before December 31, 2018 (or such other date agreed to by the parties), the Activa LOI will terminate.

Pursuant to the terms of the Activa LOI, the parties agreed to enter into a definitive agreement that will provide for the following, among other things:

1. The Company will acquire all of the issued and outstanding shares of Activa.
2. The Company will issue, to the Activa shareholders, CAD \$35,000,000 (approximately \$26,141,500) worth of restricted shares of the Company's common stock. The total number of the Company's common shares expected to be issued for this proposed transaction will be determined by calculating the 30-trading day average, based on the period ended November 23, 2018, with the application of a market acceptable discount to the determined average.
3. Activa has the right to exercise a claw back within a two-year period commencing on the closing date of the Proposed Transaction. The claw back would result in the mutual return of both Activa's and the Company's shares to the respective parties should targets, to be defined in the definitive agreement, not be met by the Company.
4. The shares issued to the Activa shareholders will be subject to a two-year lockup coinciding with the claw back. If the claw back is waived prior to the two-year claw back period, the lockup will be removed.
5. The Company will have the right to appoint one board member on Activa's board of directors, and Activa will have the right to appoint one board member on the Company's board of directors.
6. Each of the Activa shareholders will enter into an employment agreement for a period of no less than two years from the closing of the Proposed Transaction.

The Activa LOI provides that the parties will carry out due diligence and will proceed reasonably and in good faith toward the negotiation and execution of definitive documentation regarding the Proposed Transaction. Closing of the Proposed Transaction is conditioned upon completion of due diligence, among other customary closing conditions, including receipt of required regulatory approvals.

On January 7, 2019, the Company and Activa entered into a letter agreement that extends the termination date of the Activa LOI from December 31, 2018 to February 28, 2019.

David Employment Agreement & Option Grant

On November 30, 2018, the Company entered into an employment agreement (the "Employment Agreement") with Christopher David, the Company's President and a member of the board of directors, effective December 1, 2018. The Employment Agreement terminates on July 31, 2019, subject to the termination provisions contained in the Employment Agreement. Pursuant to the terms of the Employment Agreement, Mr. David agreed to serve as the Company's President. In consideration thereof, the Company agreed to pay Mr. David a monthly salary of \$8,000.

Pursuant to the terms of the Employment Agreement, the Company may terminate Mr. David at any time, with or without Cause (as such term is defined in the Employment Agreement; provided, however, that if the Company terminates Mr. David without Cause the Company will continue to owe Mr. David his monthly salary through July 31, 2019.

Assignment of Joint Venture Agreement

On January 7, 2019, 2478659 Ontario Ltd. ("247") and Kainai Cooperative ("Kainai") entered into a Joint Venture Agreement (the "Joint Venture Agreement") for the purpose of developing, managing and arranging for financing of greenhouse and farming projects involving hemp and cannabis cash crops on Kainai related lands, and developing additional infrastructure projects creating jobs and food supply to local communities. On January 8, 2019, 247 and the Company entered into an Agreement of Transfer and Assignment, pursuant to which 247 agreed to sell, assign and transfer to the Company all rights, contracts, contacts and any and all other assets related in any way to the Joint Venture Agreement. Pursuant to the terms of the Joint Venture Agreement, as assigned to the Company, the parties will work in a joint venture relationship with the Company providing the finance, development and operation of the project, including sales and Kainai providing the land and approvals for the development of the projects.

The joint venture will distribute to the Company and Kainai all net proceeds after debt and principal servicing and repayment allocation, as well as operating capital allotment on a ratio equal to 80% to the Company and 20% to Kainai.

Among other things, the Company is responsible for maintaining all financial records of the joint venture and providing quarterly and annual reporting to all joint venture stakeholders, assigning and directing operational staff, remunerating Kainai on the basis of 20% of net joint venture income on an annual basis commencing 12 months after the first full 12-month revenue period.

The Joint Venture Agreement has an initial term of 50 years and Kainai may renew the Joint Venture Agreement within five years of the expiry of the initial term upon mutual agreement.

For the three months ended November 30, 2018 compared to the three months ended November 30, 2017

Revenues for the three months ended November 30, 2018 were \$2,311,622, representing an increase of \$57,885, or 2.6%, from \$2,253,737 for the same period in 2017. The increase in revenue is due to us being able to sell additional services to customers as a result of the acquisition of Executive Fitness Leaders in December 2017, the opening of a new clinic in September 2018, and the relocation of certain clinics during the summer of 2018 to more spacious facilities.

Cost of revenues for the three months ended November 30, 2018 were \$1,428,083, representing an increase of \$20,390, or 1.4%, from \$1,407,693 for the same period in 2017. The increase in cost of revenues is principally due the increase in revenue. Cost of revenues as a percentage of revenue was 61.8% for the three months ended November 30, 2018 and 62.5% for same period in 2017. The decrease in cost of revenues as a percentage of revenue is principally due to slightly lower costs.

Operating costs for the three months ended November 30, 2018 were \$1,098,891, representing an increase of \$80,477, or 7.9%, from \$1,018,414 for the same period in 2017. The increase in operating costs is attributed to an increase in payroll and rental fees offset by a reduction in stock-based compensation.

Interest expense for the three months ended November 30, 2018 was \$46,321, representing a decrease of \$87,832, or 65.5%, from \$134,153 for the same period in 2017. The decrease is due to less debt outstanding as a result of approximately \$5.1 million of related party debt being converted to common stock in January 2018.

Net loss for the three months ended November 30, 2018 was \$256,584, representing a decrease of \$104,104, or 28.9%, from \$360,688 for the same period in 2017. The decrease in net loss is due to the reasons described above.

Liquidity and Capital Resources

As shown in the accompanying financial statements, for the three months ended November 30, 2017, the Company had a net loss of \$256,584.

During the three months ended November 30, 2018, the Company used cash in operating activities of \$162,957 compared to \$351,815 for the same period in 2017. The principal reason for the decrease is the decrease in net loss incurred during the three months ended November 30, 2018 as compared to the same period in 2017 and a smaller use of cash among the working capital accounts during the three months ended November 30, 2018 compared to the same period in 2017.

During the three months ended November 30, 2018, the Company used cash in investing activities of \$74,408 compared to \$23,593 for the same period in 2017. The principal reason for the change is the increase of investment in leasehold improvements during the three months ended November 30, 2018 compared to the same period in 2017.

During the three months ended November 30, 2018, the Company generated cash of \$497,375 from financing activities compared to cash used in financing activities of \$183,925 for the same period in 2017. The principal reason for the change is the sale of shares of common stock for \$531,929 during the three months ended November 30, 2018, offset by \$34,554 in repayments of amounts due to related parties. During the three months ended November 30, 2017 there were no sales of shares of common stock.

On November 16, 2018, the Company accepted a \$30,000 subscription agreement from an accredited investor residing outside the United States for the sale of 17,647 shares of restricted common stock, resulting in an effective price per share of \$1.70. The shares were issued on November 20, 2018.

Also on November 16, 2018, the Company accepted a \$501,929 subscription agreement from an accredited investor residing outside the United States for the sale of 545,575 shares of restricted common stock, resulting in an effective price per share of \$0.92. The shares were issued on November 20, 2018.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We believe that the following critical policies affect our more significant judgments and estimates used in preparation of our financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Noncontrolling Interest

The Company follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, *Consolidation*, which governs the accounting for and reporting of non-controlling interests (“NCIs”) in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs be treated as a separate component of equity, not as a liability, that increases and decreases in the parent’s ownership interest that leave control intact be treated as equity transactions rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance.

The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations and other comprehensive income (loss).

Revenue Recognition

Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (“Topic 606”), became effective for the Company on March 1, 2018. The Company’s revenue recognition disclosure reflects its updated accounting policies that are affected by this new standard. The Company applied the “modified retrospective” transition method for open contracts for the implementation of Topic 606. As sales are and have been primarily from providing healthcare services, and the Company has no significant post-delivery obligations, this new standard did not result in a material recognition of revenue on the Company’s accompanying consolidated financial statements for the cumulative impact of applying this new standard. The Company made no adjustments to its previously-reported total revenues, as those periods continue to be presented in accordance with its historical accounting practices under Topic 605, *Revenue Recognition*.

Revenue from providing healthcare services are recognized under Topic 606 in a manner that reasonably reflects the delivery of its services to customers in return for expected consideration and includes the following elements:

- executed contracts with the Company’s customers that it believes are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation the transaction price to each performance obligation; and
- recognition of revenue only when the Company satisfies each performance obligation.

These five elements, as applied to healthcare services, the Company's sole revenue category, is summarized below:

- Healthcare services - gross service revenue is recorded in the accounting records at the time the services is provided on an accrual basis at the provider's established rates, regardless of whether the provider expects to collect that amount. The Company reserves a provision for contractual adjustment and discounts that are deducted from gross service revenue. The Company reports revenues net of any sales, use and value added taxes.

Stock-Based Compensation

The Company records stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*. FASB ASC Topic 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the requisite service period. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, *Earnings Per Share*. Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS assumes that all dilutive securities are converted. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Foreign Currency Transactions and Comprehensive Income

U.S. GAAP generally requires recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company's Canadian subsidiaries is the Canadian dollar. Translation gains (losses) are classified as an item of other comprehensive income in the stockholders' equity section of the balance sheet.

New Accounting Pronouncements

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle-based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. Entities will be able to transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this ASU beginning on March 1, 2018 and used the modified retrospective method of adoption. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

Recent accounting pronouncements issued by the FASB, the American Institute of Certified Public Accountants and the SEC did not or are not believed by management to have a material effect on the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Principal Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of November 30, 2018. Based upon such evaluation, the Chief Executive Officer and Principal Financial Officer have concluded that, as of November 30, 2018, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 of the Exchange Act that occurred during the fiscal quarter ended November 30, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except as set forth herein, as of the date of this Quarterly Report on Form 10-Q, there are no material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which we are a party or which our property is the subject. In addition, none of our officers, directors, affiliates or 5% stockholders (or any associates thereof) is a party adverse to us, or has a material interest adverse to us, in any material proceeding.

ITEM 1A. RISK FACTORS

Not required for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On November 16, 2018, the Company sold 17,647 restricted shares of common stock to an accredited investor for a purchase price of \$30,000. This sale of shares was made pursuant to an exemption from registration as set forth in Regulation S under the Securities Act of 1933, as amended (the "Securities Act"). The issuance involved an offer and sale of securities outside the United States. The offer and sale were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. The shares were issued on November 20, 2018.

Also on November 16, 2018, the Company sold 545,575 restricted shares of common stock to an accredited investor residing outside of the United States for a purchase price of \$501,929. This sale of shares was made pursuant to an exemption from registration as set forth in Regulation S under the Securities Act. The issuance involved an offer and sale of securities outside the United States. The offer and sale were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf. The shares were issued on November 20, 2018.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There have been no defaults in any material payments during the covered period.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) On January 7, 2019, the Company, NHL and CannaPiece entered into Amendment No. 1 to the SEA (“Amendment No. 1”) pursuant to which the parties agreed to extend the delivery date of the Investment from January 7, 2019 to January 31, 2019. The foregoing description of Amendment No. 1 does not purport to be complete and is qualified in its entirety by reference to the full text of Amendment No. 1, a copy of which is filed as Exhibit 10.5 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Also on January 7, 2019, the Company and Activa entered into a letter agreement (the “Letter Agreement”) that extends the termination date of the Activa LOI from December 31, 2018 to February 28, 2019. The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is filed as Exhibit 10.6 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

On January 7, 2019, 247 and Kainai entered into the Joint Venture Agreement for the purpose of developing, managing and arranging for financing of greenhouse and farming projects involving hemp and cannabis cash crops on Kainai related lands, and developing additional infrastructure projects creating jobs and food supply to local communities. On January 8, 2019, 247 and the Company entered into an Agreement of Transfer and Assignment (the “Assignment”), pursuant to which 247 agreed to sell, assign and transfer to the Company all rights, contracts, contacts and any and all other assets related in any way to the Joint Venture Agreement. Pursuant to the terms of the Joint Venture Agreement, as assigned to the Company, the parties will work in a joint venture relationship with the Company providing the finance, development and operation of the project, including sales and Kainai providing the land and approvals for the development of the projects.

The joint venture will distribute to the Company and Kainai all net proceeds after debt and principal servicing and repayment allocation, as well as operating capital allotment on a ratio equal to 80% to the Company and 20% to Kainai.

Among other things, the Company is responsible for maintaining all financial records of the joint venture and providing quarterly and annual reporting to all joint venture stakeholders, assigning and directing operational staff, remunerating Kainai on the basis of 20% of net joint venture income on an annual basis commencing 12 months after the first full 12-month revenue period.

The Joint Venture Agreement has an initial term of 50 years and Kainai may renew the Joint Venture Agreement within five years of the expiry of the initial term upon mutual agreement.

The foregoing description of the Assignment does not purport to be complete and is qualified in its entirety by reference to the full text of the Assignment, a copy of which is filed as Exhibit 10.7 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

(b) There have been no material changes to the procedures by which security holders may recommend nominees to the Company’s Board of Directors since the Company last provided disclosure in response to the requirements of Item 407(c) (3) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Number	Description of Document
10.1	<u>Letter of Intent dated October 10, 2018 by and between the registrant and CannaPiece Group Inc. (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on October 16, 2018).</u>
10.2	<u>Amendment to Letter of Intent dated November 14, 2018 by and between the registrant, Novo Healthnet Limited and CannaPiece Group, Inc. (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on November 20, 2018).</u>
10.3	<u>Letter of Intent dated November 23, 2018 by and between the registrant, Novo Healthnet Limited and Activa Clinics (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on November 29, 2018).</u>
10.4	<u>Employment Agreement, entered into on November 30, 2018 and effective December 1, 2018, between the registrant and Christopher David (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on December 6, 2018).</u>
10.5	<u>Amendment No. 1 to Share Exchange Agreement dated January 7, 2019 by and between the registrant, Novo Healthnet Limited and CannaPiece Group, Inc.</u>
10.6	<u>Letter Agreement effective January 7, 2019 by and between the registrant and Activa Clinics.</u>
10.7	<u>Agreement of Transfer and Assignment dated January 8, 2019 by and between the registrant and 2478659 Ontario Ltd.</u>
31.1	<u>Rule 13a-14(a) Certification of Principal Executive Officer.</u>
31.2	<u>Rule 13a-14(a) Certification of Principal Financial Officer.</u>
32.1	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Principal Executive Officer and Principal Financial Officer.</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereto duly authorized:

NOVO INTEGRATED SCIENCES, INC.

Dated: January 11, 2019

By: /s/ Robert Mattacchione

Robert Mattacchione
Chief Executive Officer

By: /s/ Klara Radulyne

Klara Radulyne
Principal Financial Officer

**Amendment No. 1 to
SHARE EXCHANGE AGREEMENT
Dated as of January 7, 2019**

This Amendment No. 1 to Share Exchange Agreement (this “Amendment”) is entered into as of the date first set forth above by and between (i) Novo Integrated Sciences, Inc., a Nevada corporation (the “Parent”); (ii) Novo Healthnet Limited, a limited company incorporated under the Laws (as defined below) of the Province of Ontario, Canada (“NHL” and together with the Parent, the “Buyer”) and (iii) CannaPiece Group Inc., an Ontario, Canada corporation (“CPG”, “Seller”). Each of the Parent, NHL and CPG may be referred to herein collectively as the “Parties” and separately as a “Party.

WHEREAS, the Parent, NHL and CPG are parties to that certain Share Exchange Agreement dated as of December 18, 2018 (the “Original Agreement”); and

WHEREAS, the Parties now desire to amend the Original Agreement as set forth herein;

NOW THEREFORE, on the stated premises and for and in consideration of the mutual covenants and agreements hereinafter set forth and the mutual benefits to the Parties to be derived herefrom, and intending to be legally bound hereby, it is hereby agreed as follows:

1. Definitions. Defined terms used herein without definition shall have the meaning given them in the Original Agreement.
2. Amendment.
 - (a) Section 2.02(b) of the Original Agreement is hereby amended in its entirety to provide as follows: “The Subscription Agreements value will be CAD \$5,000,000 in the aggregate (the “Investment”). The Subscription Agreements for the total Investment will be executed and delivered by CPG, together with payment of the applicable subscription funds, by no later than January 31, 2019.”
3. Miscellaneous.
 - (a) Other than as amended herein, the Original Agreement shall remain in full force and effect.
 - (b) This Amendment shall be governed by, enforced, and construed under and in accordance with the Laws of the State of Nevada, without giving effect to the principles of conflicts of law thereunder. Each of the Parties (a) irrevocably consents and agrees that any legal or equitable action or proceedings arising under or in connection with this Amendment shall be brought exclusively in the state or federal courts of the United States with jurisdiction in Palm Beach County, Florida. By execution and delivery of this Amendment, each Party hereto irrevocably submits to and accepts, with respect to any such action or proceeding, generally and unconditionally, the jurisdiction of the aforesaid courts, and irrevocably waives any and all rights such Party may now or hereafter have to object to such jurisdiction.
 - (c) The headings contained in this Amendment are intended solely for convenience and shall not affect the rights of the Parties.
 - (d) This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall be but a single instrument. The execution and delivery of a facsimile or other electronic transmission of a signature to this Amendment shall constitute delivery of an executed original and shall be binding upon the person whose signature appears on the transmitted copy.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first-above written.

Novo Integrated Sciences, Inc.

By: /s/ Robert Mattacchione

Name: Robert Mattacchione

Title: Chief Executive Officer

Novo Healthnet Limited

By: /s/ Dr. Pierre Dalcourt

Name: Dr. Pierre Dalcourt

Title: President

CannaPiece Group Inc.

By: /s/ Ahmad Rasouli

Name: Ahmad Rasouli

Title: CEO



December 31, 2018

Activa Clinics
6610 Turner Valley Road, Suite 200
Mississauga, Ontario L5N 2P1
Attn: Neil Dhalla, CEO
Via email

RE: Amend the Termination Date of the Binding Letter of Intent, dated November 23, 2018, between Novo Integrated Sciences, Inc., Novo Healthnet Limited and Activa Clinics

Dear Mr. Dhalla:

Novo Integrated Sciences, Inc., a Nevada corporation (“NVOS”), Novo Healthnet Limited, an Ontario corporation and Activa Clinics, an Ontario corporation (“AC”), are parties to the Letter of Intent, dated 11-23-18, as attached hereto as Exhibit A (the “LOI”).

The purpose of this letter is to amend the LOI to extend the termination date therein. As we have discussed, the “Termination Date” for all purposes under the LOI is hereby amended to be February 28, 2019. The LOI, as amended herein, shall remain in full force and effect.

We continue to look forward to working with you to complete the transaction successfully and expeditiously. If the foregoing correctly sets forth your understanding, please execute a copy of this Letter in the space set forth below and return to me.

Very truly yours,

By: */s/ Robert Mattacchione*

Robert Mattacchione
CEO, Novo Integrated Sciences, Inc.
Chairman, Novo Healthnet Limited

ACKNOWLEDGED AND AGREED to on January 7, 2018:

By: */s/ Neil Dhalla*

Neil Dhalla
CEO, Activa Clinics

11120 NE 2nd Street, Suite 200 Bellevue, WA 98004 USA
Phone: (206) 617-9797
www.novointegrated.com

Letter of Intent

(Attached)

AGREEMENT OF TRANSFER AND ASSIGNMENT

This Agreement of Absolute Transfer and Assignment (the "Agreement") is effective December 21, 2018.

BETWEEN: 2478659 Ontario Ltd., (the "Transferor"), a company organized and existing under the laws of the Province of Ontario, with its head office located at:

119 Westcreek Dr.
Suite 3
Vaughan, Ontario
L4L 9N6

AND: **Novo Integrated Sciences Inc.** (the "Transferee"), a company organized and existing under the laws of the State of Nevada, with its head office located at:

11120 NE 2nd Street, Suite 200
Bellevue, Washington 98004 USA

WHEREAS by an agreement of assignment and transfer dated as of January 8, 2019 (the "Assignment Agreement") the Transferor agreed to sell and assign all of its rights held with respects to the Joint Venture Agreement with Reference number ML-ON/GR-002 ("JV") to the Transferee;

WHEREAS pursuant to the Assignment Agreement, the Transferor agreed to sell, assign and transfer to the Transferee all rights, contracts, contacts and any and all other assets related in any way to the JV;

WHEREAS the Transferee agrees to perform all the duties and responsibilities identified within the JV;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED, THE PARTIES HEREBY AGREE AS FOLLOWS:

For good and valuable consideration, the receipt of which is hereby acknowledged by the Transferor, the Transferor does hereby absolutely transfer, assign and make over unto the Transferee, hereto present and accepting the same, all of the Transferor's right, title and interest in the JV. The Transferor further assigns and transfers unto the Transferee all deeds, documents, writings, papers, books of account and other books relating to or being records of the JV (the whole referred to in this agreement as the "Documents").

The present absolute transfer and assignment is made subject to the following terms, clauses and conditions, all of which are essential to this agreement:

1. ADDITIONAL ASSIGNMENT

The present assignment is given in addition to and not in substitution for any similar assignment heretofore given to and still held by the Transferee and in particular any and all assignments made or contemplated by any precedent Agreement if such Agreement is present or was contemplated both verbal or written.

2. RIGHTS OF ASSIGNMENT

The Transferee shall, as the absolute assignee of the rights, be absolutely responsible for all and any liabilities associated to the JV and in so far as is clearly identified by the Documents. The Transferor fully indemnifies the Transferee for any claims and or liabilities not identified for a period of ten years. The Transferee is solely entitled to the financial benefit derived from the direct or indirect assignment of the JV.

3. LIST OF DOCUMENTS

For the purposes of this agreement, the Transferor undertakes and agrees to furnish and deliver to the Transferee, together with the present absolute assignment, a list of all documents, correspondence, contact lists and studies of any kind related to the JV or the JV development from concept to present.

4. REPRESENTATIONS AND WARRANTIES OF THE TRANSFEROR

The Transferor represents, warrants, covenants and declares that:

- a. It has good and marketable title to the JV (herein attached as schedule A); and
- b. No other commitments or contemplated assignments have been made to any other party.

5. FURTHER DOCUMENTS

The Transferor covenants and agrees that it will from time to time and as requested by the Transferee, make and execute such further documents as may, in the opinion of the Transferee, be necessary or desirable with respect to the JV or as may be required to give effect to this agreement or the exercise of the powers conferred upon the Transferee by this agreement. Should the Transferor neglect or refuse to execute such further documents, the Transferee or any officer of the Transferee (being hereby appointed the attorney of the Transferor) may, as its true and lawful attorney make and execute all such documents, with the right to use the name of the Transferor whenever and wherever the Transferee may deem such use to be necessary or expedient with respect to the realization of the JV.

6. CONSIDERATION

As a result of this Agreement of Transfer and Assignment the Transferor will receive TWELVE (12) MILLION COMMON RESTRICTED SHARES in the Transferee. The shares will be subject to a lock-up arrangement in addition to the usual Rule 144 limitations on sale. The issuance of shares will be full and final payment for the transfer of rights contemplated within this assignment. The shares will be issued upon the expiration of a twenty-day due diligence period or waiving of such period by the Transferee any time prior to the expiration date of January 28, 2019.

7. BINDING EFFECT

This agreement, and the rights and obligations of the parties under this agreement, shall ensure to and be binding upon the parties and their respective heirs, assignees and representatives.

8. DUE DILIGENCE

The Transferee shall be granted a twenty-day due diligence period in which the Transferor will allow direct contact to the JV parties as well as any documents related to the JV. The Transferee may terminate the Assignment at its sole and unfettered discretion by providing notice of termination in writing to the Transferor. The Transferee may waive the due diligence period prior to the expiration date, which date is twenty days from the date of execution of this Agreement.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at VAUGHAN, ONTARIO on the date indicated above.

TRANSFEROR

TRANSFeree

/s/ Robert Marchioni

/s/ Robert Mattacchione

Authorized Signature

Authorized Signature

Robert Marchioni, President

Robert Mattacchione, CEO

Print Name and Title

Print Name and Title

SCHEDULE A

JOINT VENTURE AGREEMENT
Reference Number: ML-ON/GR-002

Between

2478659 ONTARIO LTD.
("247")

And

KAINAI COOPERATIVE
("KA")

FOR THE DEVELOPMENT,
MANAGEMENT AND
OPERATION OF A GREENHOUSE, HEMP FARMING AND
RESERVE
INFRASTRUCTURE PROJECTS

This Joint Venture agreement is entered into between 2478659 Ontario Ltd., an Ontario company with offices located at 119 Westcreek Drive, Suite 3, Vaughan, Ontario, Canada (herein referred to as “247”) and Kainai Cooperative, a cooperative organized under the laws of Alberta, Canada with offices in Cardston, Alberta, Canada (herein referred to as “KA”) for the purpose of developing, managing and arranging for financing of greenhouse and farming projects involving Hemp and Cannabis cash crops on Kainai related lands, in addition to the primary agricultural objective the Joint Venture will develop additional infrastructure projects creating jobs a food supply to local communities.

Whereas, 247 is willing to provide development, management, construction and financing of greenhouses and open field farming for health-related cash crops and future indoor fish, shrimp and poultry production facilities and

Whereas, 247 through its wholly-owned subsidiaries, is a provider of healthcare services, products and healthtech and

Whereas 247 has strategic relationships in the development and management of greenhouses and other agricultural and energy projects, and

Whereas, 247 will contribute subject matter expertise, management, financial resources, strategic partnerships and international procurement expertise in conjunction with local companies to train local populations in the management and operation of greenhouse, outdoor and indoor cash crop farming, and

Whereas, 247 is committed to sustainable sciences development and the integration of green technologies into project engineering, design and construction, and

Whereas, 247 is committed to undertake optional progressive resource projects in:

- Dry Land Farming up to 150,000 acres
- Irrigation development up to 25,000 acres
- Processing plant
- Warehousing
- Agricultural development 100,000 plus acres
- Solar Energy development
- Wind Energy development

Whereas, KA has a minimum of ten (10) acres of suitable land for initial development and the means to obtain the necessary approvals and authorization to build and operate initial development objectives along with the necessary water, waste and power supply required for initial development, and

Whereas, KA is willing to grant the rights to 247 for the construction of the necessary infrastructure improvements required to house 247 operational management on location, and

Whereas, KA wishes to develop greenhouse facilities and requires financing, design, engineering, construction and operational expertise, and

Whereas, KA will be working with present Land Occupant Members of the Cooperative to ensure the development of available land for the purposes of the primary projects in this Agreement,

Therefore, the Joint Venture Partners (247 and KA) agree to sign this agreement for the construction, operation and management of greenhouse and outdoor farming operations focusing on hemp and cannabis production (hereinafter referred to as the **“Primary Contract”**) under the following terms set out in this Joint Venture Agreement for the noted project (herein, referred to as the **“Primary Project”**).

This Agreement is in affect as of January 7th, 2019 and continues until terminated in accordance with the terms of this agreement or for the duration of this agreement as identified herein.

ARTICLE 1-ENTERPRISE NAME

- 1.1 The ON-KA Corporation will be registered and incorporated in Canada under the name of ON-KA Corporation (herein referred to as the **“Company”**) and the Company shall have all the liabilities of the project in relation to finance and operation with KA having no liability or financial responsibility in relation to the project.

ARTICLE 2- RELATIONSHIP OF PARTIES

- 2.1 The parties will work in a joint venture relationship with 247 providing the finance, development and operation of the project including sales and KA providing the land and approvals for the development of the Primary Project and other agriculture and progressive resource projects.

ARTICLE 3- OFFICE LOCATION

- 3.1 The Company shall have an office in the 247 head office location as well as an office on the Primary Project location and if necessary, offices in international jurisdictions for the purpose of sales and promotion.
-

ARTICLE 4- START UP CAPITAL AND CONTRIBUTIONS

4.1 Each of the partners shall contribute to the start-up as follows:

4.1.1 247

- Provide land survey, engineering study and architectural plans
- Complete and finalize a Business Plan, farm engineering and layout plans, a detailed procurement project binder and an implementation and roll-out plan
- Make arrangements for construction of the greenhouses
- Direct project finance model and selection of EPC and Management service providers
- Retain greenhouse operational team
- Arrange for product purchase contracts

4.1.2 KA

- Will provide the land survey and approvals for greenhouse
- Arrange for all required titled land for greenhouses and outdoor agriculture platforms
- Arrange for all building permits, environmental approvals and KA internal approvals including confirmation of tax-free Company status for the duration of the agreement

ARTICLE 5- KA AND 247 COMMITMENTS, GREENHOUSE CONSTRUCTION SCHEDULE

5.1 Upon execution of the agreement, KA will provide necessary documentation (allocated land) required for the completion of the construction and management package.

5.2 Sample funding schedule:

- Day 01- KA provides land details and construction permits
- Day 20- 247 establishes JV company – the Company
- Day SV + 31 - KA and 247 execute this or similar contract confirming the project and use of land for Primary Project in order to “trigger” the financing for 247 funding officers
- Day SV + 32 – 247 starts development process
- Day SV + 122 – 247 starts construction process
- Day SV + 140 – local community workforce training commences

5.3 Harvesting schedule occurs as dictated by determined cash crop selection. Accompanying cash flow projections will be completed upon binding buyer contract receipt.

ARTICLE 6- PRINCIPLE AND LINE OF CREDIT RETURNS

- 6.1 Priority is given to all debt service requirements with principle pay-back schedule adherence based on cash flow actual conditions. Distribution to partners as per agreement on a “last to issue” basis.

ARTICLE 7- TERM OF AGREEMENT

- 7.1 The initial term of this Agreement shall, unless sooner terminated, expire in Fifty (50) years from the date of execution of the Agreement. 247 and KA may renew the agreement within Five (5) years of the expiry of the initial term upon mutual agreement.
- 7.2 247 shall be responsible for the total management of the projects.
- 7.3 Both parties may enter into buyout negotiations on terms agreeable to both parties.

ARTICLE 8- OBLIGATIONS OF 247

- 8.1 To maintain all financial records of the Company and provide quarterly and annual reporting to all Company stakeholders. All records are kept under GAAP compliance standards.
- 8.2 Assign and direct operational staff from onset to agreement termination.
- 8.3 To remunerate KA on the basis of a twenty percent of net Company income basis on an annual basis commencing 12 months after the first full 12-month revenue period.
- 8.4 All books and records can be reviewed by KA upon seventy hours written notice. Any review or inspection must be done in the head office of 247.
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ARTICLE 9- OBLIGATIONS OF KA

- 9.1 To assist the Company in any way deemed necessary by the Company in the marketing and sales of all cash crop associated to the Projects both domestically and internationally.
- 9.2 To maintain positive relations with agencies (government and environmental) ensuring continuing land use and development.
- 9.3 To promote and maintain positive public relations activities ensuring positive Company public opinion.
- 9.4 To provide “historical family traditional land occupant holdings” held in an escrow structure with the Cooperative Law Firm protecting 247 investments.
- 9.5 To provide a minimum of ten (10) acres for the first phase of the Primary Project.

ARTICLE 10- MANAGEMENT PERSONNEL

- 10.1 All staffing, including but not limited to, management, specialized or general labor requirements will be the sole responsibility of 247.

ARTICLE 11- DIVIDEND DISTRIBUTIONS

- 11.1 The JV will distribute to 247 and KA all net proceeds after debt and principle servicing and repayment allocation, as well as operating capital allotment on a ratio equal to 80% 247 and 20% KA.
- 11.2 The distribution will be based on 247 audited review and will be made within three months of annual considerations.

ARTICLE 12- CURRENCY

- 12.1 Except where otherwise expressly provided, all amounts of monies referenced are in Canadian dollars.
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ARTICLE 13- BANKING AND ACCOUNTING

- 13.1 The Company will have a segregated bank account for general operating expenses and a segregated investment account for passive short-term secured investments.

ARTICLE 14- FINANCIAL STATEMENTS

- 14.1 The Company will prepare quarterly statements for partner review, released on the 15th day of each subsequent quarter.
- 14.2 The Company's audited annual filing will be prepared in accordance to 247 requirements for the purposes of consolidation on a GAAP basis.

ARTICLE 15- TAXES

- 15.1 The Company will ensure timely remittance of all tax liabilities and ensure specific adherence to any specific Cooperative tax considerations. KA will ensure maximum tax reduction and where possible elimination of any tax consideration.

ARTICLE 16- PRESERVATION OF RECORDS

- 16.1 All company records will be kept for a minimum of five years unless otherwise required by federal or provincial law.

ARTICLE 17- ASSIGNMENT BY 247

- 17.1 During the term of this agreement 247 shall have the right to assign, transfer or sell all or part of its interest in the agreement upon the terms and conditions herein, subject only to prior written notice to KA.
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ARTICLE 18- ASSIGNMENT BY KA

- 18.1 During the term of this agreement KA shall have the right, upon written approval of 247, to assign, transfer or sell all or part of their interest in this agreement.

ARTICLE 19- BEST EFFORTS

- 19.1 247 and KA covenant and agree to make their best efforts to fully develop the Primary Projects as well as all Projects associated to this agreement as per this agreement at all times faithfully, honestly and diligently perform or cause to be performed their obligations hereunder and to continuously exert best efforts to promote and enhance the business and in that regards they hereby covenant and agree, so long as this Agreement shall remain in effect, to operate the business, as to preserve, maintain and enhance the reputation of 247 and KA through the Company.

ARTICLE 20- INDEMNIFICATION

- 20.1 The parties agree to mutually defend, indemnify and save one another harmless from and against any claims, demands, actions, losses, damages, costs, charges, liabilities and any expenses, including legal fees of whatever kind arising out of or in connection with each parties' activities conducted pursuant to this Agreement.

ARTICLE 21- CONFORMITY WITH LAWS

- 21.1 In this Agreement, the singular includes the plural and the masculine includes the feminine and neuter and vice versa unless the context otherwise requires.
- 21.2 If any provision or part of any provision in this Agreement is void for any reason or found to be unenforceable, it may be severed without affecting the validity and enforceability of the balance of the Agreement.
- 21.3 This Agreement binds and benefits the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.
- 21.4 This Agreement contains the sole and entire agreement between the parties and supersedes any and all other agreements, both verbal and written, between them.
- 21.5 The parties agree that neither of them has made any representations with respect to the subject matter of this Agreement, or any representations inducing the execution and delivery hereof, except such representations as are specifically set forth herein.
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ARTICLE 22- CONFIDENTIALITY

- 22.1 The parties shall keep confidential all business terms and conditions of this Agreement and neither shall release such information to any other party without the express written consent of the other, in the case of 247, it is understood that 247 will be filing this Agreement with the Security Exchange Commission of the United States of America in a matter compliant to publicly listed company rules.

ARTICLE 23- ENTIRE AGREEMENT

- 23.1 No waiver or modification of this Agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith.
- 23.2 Furthermore, no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.
- 23.3 the provisions of this paragraph may not be waived as set forth herein.
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ARTICLE 24- AFFIRMATION AND EXECUTION

Kainai Cooperative

2478659 Ontario Ltd.

Signature <u>/s/ <i>Chris Shade</i></u>	Signature <u>/s/ <i>Robert Marchioni</i></u>
Name <u>Chris Shade</u>	Name <u>Robert Marchioni</u>
Title <u>Chairman</u>	Title <u>President</u>

Signed and Delivered on **January 7, 2018**, in the presence of:

Witness	Witness
Signature <u>/s/ <i>Eugene Fox</i></u>	Signature <u>/s/ <i>Gabriel Petricca</i></u>
Name <u>Eugene Fox</u>	Name <u>Gabriel Petricca</u>

CERTIFICATIONS

I, Robert Mattacchione, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2018 of Novo Integrated Sciences, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; and
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 11, 2019

By: /s/ Robert Mattacchione

Robert Mattacchione
Chief Executive Officer (principal executive officer)

CERTIFICATIONS

I, Klara Radulyne, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2018 of Novo Integrated Sciences, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; and
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 11, 2019

By: /s/ Klara Radulyne

Klara Radulyne
Principal Financial Officer

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Novo Integrated Sciences, Inc. (the “Company”) on Form 10-Q for the quarter ended November 30, 2018 as filed with the Securities and Exchange Commission (the “Report”), I, Robert Mattacchione, Chief Executive Officer of the Company, and I, Klara Radulyne, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: January 11, 2019

/s/ Robert Mattacchione

Robert Mattacchione, Chief Executive Officer
(principal executive officer)

/s/ Klara Radulyne

Klara Radulyne, Principal Financial Officer
(principal financial officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
